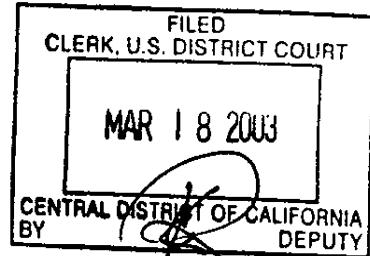


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13 2003 MAR - 6 PH 2:40
14 DISTRICT COURT
15 OF THE UNITED STATES
16 FOR THE CENTRAL DISTRICT OF CALIFORNIA
17 LOS ANGELES
18



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UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff

CASE NUMBER CV02-9889 PA

vs.
17 Leon Jordan II,
18 Jordan Enterprises, LLC,
Jordan Holdings, LLC,
Ray Brown & Associates, and
Raymond Brown,

:
:PROPOSED] AMENDED
:PRELIMINARY INJUNCTION
:AND ORDERS: (1) FREEZING
:ASSETS; (2) PROHIBITING THE
:DESTRUCTION OF
:DOCUMENTS; (3) GRANTING
:EXPEDITED DISCOVERY; AND
:(4) FOR ACCOUNTING.

Defendants,

Sheila S. Jordan

Relief Defendant.

ENTER ON ICMS

MAR 21 2003

This matter came to be heard upon the Consent of Leon Jordan II, Jordan Holdings, Jordan Enterprises, LLC, and Relief Defendant Sheila S. Jordan to Plaintiff Securities and Exchange Commission's ("Commission") Application For An Order To Show Cause Why A Preliminary Injunction And Order Freezing Assets, Prohibiting Destruction Of Documents, Granting Expedited Discovery, And For

26

1 Accountings Should Not Issue ("Application").

2 The Court, having considered the Commission's Complaint, the Application,
3 the supporting Memorandum of Points and Authorities, Declaration of Jo E.
4 Mettenburg and Exhibits thereto, the Consent of Leon Jordan II, Jordan Holdings,
5 Jordan Enterprises, LLC, and Relief Defendant Sheila S. Jordan and all other evidence
6 and argument presented regarding the Application, finds that:

7 1. This Court has jurisdiction over the parties to, and the subject matter of,
8 this action.

9 2. The Commission has made a sufficient and proper showing in support
10 of the relief granted herein, as required by Section 20(b) of the Securities Act of 1933
11 ("Securities Act") [15 U.S.C. § 77t(b)], and Section 21(d) of the Securities Exchange
12 Act of 1934 ("Exchange Act") [15 U.S.C. § 78u(d)], by evidence establishing a strong
13 likelihood that the Commission will prevail at trial on the merits and that Defendants
14 Leon Jordan II, Jordan Enterprises, LLC, Jordan Holdings, LLC ("Jordan
15 Defendants"), and each of them, directly or indirectly, have engaged in and, unless
16 restrained and enjoined by order of this Court, will continue to engage in acts,
17 practices, and courses of business constituting violations of Section 17(a) of the
18 Securities Act of 1933 ("Securities Act"), 15 U.S.C. § 77q(a), and Section 15(a) of
19 the Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. § 78o(b).

20 3. Pursuant to Fed. R. Civ. P. 65 (b), this Court specifically finds that good
21 cause exists to believe that the Jordan Defendants will continue to engage in such
22 violations to the immediate and irreparable loss and damage to participants, investors,
23 and the general public unless they are restrained and enjoined. The Commission's
24 pleadings noted above indicate, among other things, that: (a) Jordan Defendants have
25 raised at least \$850,000 since December 2001, a large portion of which has been
26 diverted to accounts in the name of Defendant Leon Jordan's wife, the Relief
27 Defendant Sheila Jordan; (b) Jordan Defendants claim to seek to raise \$2.5 billion from
28 the sale of what they describe as Guaranteed Insurance Certificate (GIC) Bonds ("GIC

1 Bonds”), which they have attempted and continue to offer participation in the
2 proceeds to unsuspecting participants; (c) in connection with this fraudulent scheme,
3 the Jordan Defendants have falsely represented that: (i) they are the exclusive
4 coordinators and intermediaries of a \$2.5 billion dollar GIC Bond offering being put
5 together by well-known financial institutions who have disclaimed any participation
6 therein; (ii) they have completed at least one similar GIC Bond offering (there is no
7 evidence that it has occurred); and (iii) the participants’ monies (denominated by the
8 Defendants as “due diligence” fees) will be refunded if the Jordan Defendants are
9 unable to secure financing (i.e., sell a bond) for the participants; and (d) Jordan
10 Defendants continue to solicit additional participants in the GIC Bond offering, and
11 are withdrawing funds from the account into which the participants’ funds have been
12 deposited.

13 4. Based on these and other facts, it is appropriate and in the interest of
14 justice that the Commission's Application be granted, and this Preliminary Injunction
15 be issued.

I.

IT IS HEREBY ORDERED that the Commission's Application For A Preliminary Injunction; Order Freezing Assets; Order Prohibiting Destruction Of Documents; Order Granting Expedited Discovery; and Order For Accountings is GRANTED.

III.

IT IS FURTHER ORDERED that, pending the determination of a hearing on the merits, Defendants Leon Jordan II (“Jordan”), Jordan Enterprises LLC (“Jordan Enterprises”), Jordan Holdings, LLC (“Jordan Holdings”), and their officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and those persons in active concert or participation with any of them, who receive actual notice of this Order, by personal service or otherwise, and each of them, be and hereby are restrained and enjoined from, directly or indirectly, in the offer or sale of any securities, by the use

1 of any means or instruments of transportation or communication in interstate
2 commerce or by use of the mails:

- 3 A. employing any device, scheme or artifice to defraud;
- 4 B. obtaining money or property by means of any untrue statement of a
5 material fact or any omission to state a material fact necessary in order
6 to make the statements made, in light of the circumstances under which
7 they were made, not misleading; or
- 8 C. engaging in any transaction, practice, or course of business which
9 operates or would operate as a fraud or deceit upon the purchaser;

10 in violation of Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).

III.

12 IT IS FURTHER ORDERED that, pending the determination of a hearing on
13 the merits, Defendants Jordan, Jordan Enterprises, and Jordan Holdings, and their
14 officers, agents, servants, employees, attorneys, and those persons in active concert
15 or participation with any of them, who receive actual notice of this Order, by personal
16 service or otherwise, and each of them, be and hereby are restrained and enjoined
17 from making use of the mails or any means or instrumentality of interstate commerce
18 to effect any transactions in, or to induce or attempt to induce the purchase or sale of,
19 any security, without being registered as a broker and/or dealer pursuant to Section
20 15(b) of the Exchange Act, 15 U.S.C. § 78o(b), in violation of Section 15(a)(1) of the
21 Exchange Act, 15 U.S.C. § 78o(a)(1).

IV.

23 IT IS FURTHER ORDERED that, except as otherwise ordered by this Court,
24 pending the determination of a hearing on the merits, Defendants Jordan, Jordan
25 Enterprises, Jordan Holdings, and Relief Defendant Sheila Jordan, and their officers,
26 agents, servants, employees, attorneys, subsidiaries and affiliates, and those persons
27 in active concert or participation with any of them, who receive actual notice of this
28 Order, by personal service or otherwise, and each of them, be and hereby are

1 restrained and enjoined from, directly or indirectly transferring, assigning, selling,
2 hypothecating, changing, wasting, dissipating, converting, concealing, encumbering,
3 or otherwise disposing of, in any manner, any funds, assets, securities, claims, or other
4 real or personal property, wherever located, of Defendants Jordan, Jordan Enterprises,
5 Jordan Holdings, and Relief Defendant Sheila Jordan, owned by, controlled by,
6 managed by or in the possession or custody of any of them, including, but not limited
7 to, the following real and personal property:

8 Single Family Residence
9 10555 Greenacre Drive
10 Rancho Cucamonga, California 91730; and

11 2002 Cadillac registered to Sheila S. Jordan in the state of California,
12 vin # 1GYEK63N92R285462, license plate # 4YPA546.

13 *Provided further* that Defendants Jordan, Jordan Holdings, Jordan Enterprises,
14 and Relief Defendant Sheila S. Jordan shall file this Order as a *lis pendens* or other
15 similar instrument under California law, to effectuate the terms of the limitations on the
16 transfer of assets in this Paragraph and the asset freeze in Paragraph V of this Order.

17 V.

18 IT IS FURTHER ORDERED that, except as otherwise ordered by this Court,
19 pending the determination of a hearing on the merits, an immediate freeze shall be
20 placed on all monies and assets (with an allowance for necessary and reasonable living
21 expenses to be granted only upon good cause shown by application to the Court with
22 notice to and an opportunity for the Commission to be heard) in all accounts at any
23 bank, financial institution or brokerage firm, all certificates of deposit, and other funds
24 or assets, held in the name of, for the benefit of, or over which account authority is
25 held by Defendants Jordan, Jordan Enterprises, Jordan Holdings, and Relief Defendant
26 Sheila Jordan, or any trust, partnership, joint venture, person or entity affiliated with
27 any of the Defendants or Relief Defendant.

28 VI.

IT IS FURTHER ORDERED that, except as otherwise ordered by this Court, pending the determination of a hearing on the merits, Defendants Jordan, Jordan Enterprises, Jordan Holdings, and Relief Defendant Sheila Jordan, and their officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and those persons in active concert or participation with any of them, who receive actual notice of this Order, by personal service or otherwise, and each of them, be and hereby are restrained and enjoined from, directly or indirectly: destroying, mutilating, concealing, transferring, altering, or otherwise disposing of, in any manner, any documents, which includes all books, records, computer programs, computer files, computer printouts, correspondence, memoranda, brochures, or any other documents of any kind in their possession, custody or control, however created, produced, or stored (manually, mechanically, electronically, or otherwise), pertaining in any manner to Defendants Jordan, Jordan Enterprises, Jordan Holdings, and Relief Defendant Sheila Jordan.

VII.

IT IS FURTHER ORDERED that Defendants Jordan, Jordan Enterprises,
Jordan Holdings, and Relief Defendant Sheila Jordan, shall, within five days of the
date of issuance of this Order, prepare and deliver to the Commission ~~on or before~~
~~January 23, 2003~~ ^{AS} a detailed and complete schedule of all of their personal assets,
including all real and personal property exceeding \$1,000 in value, and all bank,
securities, futures and other accounts identified by institution, branch address and
account number. The accountings shall include a description of the source(s) of all
funds derived from the activities alleged in the Complaint. Such accountings shall be
delivered to Kenneth J. Guido, Assistant Chief Litigation Counsel in the Commission's
Washington D.C. Office, 450 Fifth Street N.W., Washington , DC 20549-0911.
Defendants Jordan, Jordan Enterprises, Jordan Holdings, and Relief Defendant Sheila
Jordan, shall each produce to Kenneth J. Guido in the Commission's Washington,
D.C. Office all books, records and other documents supporting or underlying their
accountings on the same date.

VIII.

IT IS FURTHER ORDERED that the Commission's application for expedited discovery be and hereby is granted and that the Commission may take depositions of non-parties upon oral examination subject to two calendar days notice pursuant to Rules 30(a) and 45 of the Federal Rules of Civil Procedure, that the Commission may take more than one deposition at the same time, that depositions of the Jordan Defendants and Relief Defendant, may be taken on any day, including Saturdays, Sundays, and holidays subject to two calendar days notice and the Commission may take more than ten depositions.

IX.

IT IS FURTHER ORDERED that this Court shall retain jurisdiction over this action for the purpose of implementing and carrying out the terms of all orders and decrees which may be entered herein and to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

motion for additional relief within the jurisdiction of this Court.
*The Commissioner shall serve the Amended Preliminary Inquiry
on the Jordan defendants within ten (10) days after entry of
IT IS SO ORDERED.*

DATED:

TIME: o'clock .m.


JAMES A. ALTON
UNITED STATES DISTRICT JUDGE

UNITED STATES DISTRICT JUDGE

Presented by:

~~Kenneth J. Guido
Assistant Chief Litigation Counsel
Attorney for Plaintiff
Securities and Exchange Commission~~